

**Township of Richmond
Macomb County, Michigan**

**Financial Report
with Supplemental Information
June 30, 2008**

Township of Richmond

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Independent Auditor's Report

To the Board of Trustees
Township of Richmond
Macomb County, Michigan

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Township of Richmond as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Richmond, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the Township of Richmond as of June 30, 2008 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

November 21, 2008

Township of Richmond

Management's Discussion and Analysis

Our discussion and analysis of the Township of Richmond, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this management's discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2008:

- Total net assets related to the Township's governmental activities decreased by approximately \$18,000.
- Total governmental revenues increased by approximately \$115,000 this year. Most of this increase is due to increases in property tax revenue and operating grants and contributions.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant fund, the General Fund. The fiduciary fund statement provides financial information about activity for which the Township acts solely as an agent for the benefit of those outside of the government.

Township of Richmond

Management's Discussion and Analysis (Continued)

Township of Richmond as a Whole

The following table shows the net assets of the governmental activities in a condensed format as of June 30, 2008 in comparison to the prior year (in thousands of dollars):

TABLE I

	Governmental Activities	
	2008	2007
Assets		
Current assets	\$ 588	\$ 672
Noncurrent assets	<u>1,567</u>	<u>1,566</u>
Total assets	2,155	2,238
Liabilities		
Current liabilities	89	117
Long-term liabilities	<u>187</u>	<u>224</u>
Total liabilities	<u>276</u>	<u>341</u>
Net Assets		
Invested in capital assets - Net of related debt	913	914
Restricted	5	28
Unrestricted	<u>961</u>	<u>955</u>
Total net assets	<u><u>\$ 1,879</u></u>	<u><u>\$ 1,897</u></u>

The Township's combined net assets decreased 1 percent from a year ago - decreasing from approximately \$1,897,000 to \$1,879,000. Unrestricted net assets are the portion of net assets that can be used to finance day-to-day operations. At June 30, 2008, approximately \$961,000 of the Township's net assets are unrestricted.

Township of Richmond

Management's Discussion and Analysis (Continued)

The following table shows the comparison of changes of the net assets of the governmental activities during the year ended June 30, 2008 to the prior year (in thousands of dollars):

TABLE 2	2008	2007
Revenue		
Program revenue:		
Charges for services	\$ 288	\$ 320
Operating grants and contributions	146	35
General revenue:		
Property taxes	355	310
State-shared revenue	237	230
Unrestricted investment earnings	16	18
Transfers and other revenue	45	59
Total revenue	1,087	972
Program Expenses		
General government	405	309
Public safety	278	281
Public works	232	243
Community and economic development	157	-
Recreation and culture	24	25
Interest on long-term debt	9	11
Total program expenses	1,105	869
Change in Net Assets	\$ (18)	\$ 103

Governmental Activities

The Township's total governmental revenues were approximately \$1,087,000. The three largest revenue items are charges for services, including permits and garbage collection fees, which total 26.5 percent of the revenue, property taxes at 32.7 percent, and state-shared revenue at 21.8 percent. This fiscal year, total revenue increased compared to the prior year due to the growth in property tax revenues. Revenue from operating grants and contributions also increased due to an increase in the farmland preservation grant. General government expenses account for approximately 36.7 percent of the total amounts expended. In total, there was a decrease in net assets totaling approximately \$18,000.

Township of Richmond

Management's Discussion and Analysis (Continued)

The General Fund

Our analysis of the Township's General Fund begins on page 8, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The General Fund pays for the Township's governmental services. The most significant costs relate to general government services and public safety, which incurred approximately \$374,000 and \$276,000, respectively, of expenditures this year.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant changes were to increase the expenditures for professional services and decrease the expenditures for the building department by \$22,000 and \$12,000, respectively. The Township's General Fund fund balance decreased to approximately \$491,000 at June 30, 2008.

Capital Asset and Debt Administration

At the end of 2008, the Township had approximately \$1,137,000 invested in a broad range of capital assets, including buildings, furniture, and office equipment. Current year acquisitions of approximately \$46,000 included parking lot repairs at the Township Hall and purchase of an EMS vehicle. There was no additional debt incurred in the current year.

Economic Factors and Next Year's Budgets and Rates

It is expected that the Township's property tax millage for operating purposes will remain the same next year while the millage for fire protection and EMS will increase slightly. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide Tax Reform Act limits growth in taxable value on any individual property to the lesser of inflation or 5 percent. Because some properties increase in value by less than inflation, the mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Township of Richmond

Statement of Net Assets June 30, 2008

	Primary Government - Governmental Activities
Assets	
Cash and investments (Note 3)	\$ 298,910
Receivables:	
Accounts	141,375
Intergovernmental	77,641
Prepaid costs	70,938
Investment in joint venture (Note 8)	429,929
Capital assets (Note 5):	
Nondepreciable	489,000
Depreciable - Net	648,094
Total assets	2,155,887
Liabilities	
Accounts payable	51,567
Accrued and other liabilities	519
Noncurrent liabilities (Note 6):	
Due within one year	37,401
Due in more than one year	186,804
Total liabilities	276,291
Net Assets	
Invested in capital assets - Net of related debt	912,889
Restricted:	
Liquor law enforcement	1,127
Farmland preservation	3,633
Unrestricted	961,947
Total net assets	<u><u>\$ 1,879,596</u></u>

Township of Richmond

Statement of Activities Year Ended June 30, 2008

	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government - Governmental
Functions/Programs				
Primary government - Governmental activities:				
General government	\$ 404,948	\$ -	\$ -	\$ (404,948)
Public safety	278,054	27,354	-	(250,700)
Public works	231,771	260,674	-	28,903
Community and economic development	156,675	-	136,981	(19,694)
Recreation and culture	23,913	-	8,647	(15,266)
Interest on long-term debt	9,526	-	-	(9,526)
Total primary government	<u>\$ 1,104,887</u>	<u>\$ 288,028</u>	<u>\$ 145,628</u>	(671,231)
General revenues:				
Property taxes				354,903
State-shared revenues				237,344
Unrestricted investment earnings				16,017
Miscellaneous				44,755
Total general revenues				<u>653,019</u>
Change in Net Assets				(18,212)
Net Assets - Beginning of year				<u>1,897,808</u>
Net Assets - End of year				<u>\$ 1,879,596</u>

Township of Richmond

Governmental Funds Balance Sheet June 30, 2008

	Major Funds		Non-major Fund	Total
	General Fund	Farmland Preservation Fund	Liquor Law Enforcement Fund	Governmental Funds
Assets				
Cash and investments (Note 3)	\$ 294,150	\$ 3,633	\$ 1,127	\$ 298,910
Receivables:				
Accounts	141,375	-	-	141,375
Intergovernmental	77,641	-	-	77,641
Prepaid costs	70,938	-	-	70,938
Total assets	<u>\$ 584,104</u>	<u>\$ 3,633</u>	<u>\$ 1,127</u>	<u>\$ 588,864</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 51,567	\$ -	\$ -	\$ 51,567
Accrued liabilities	519	-	-	519
Deferred revenue (Note 4)	40,717	-	-	40,717
Total liabilities	92,803	-	-	92,803
Fund Balances				
Reserved for prepaid costs	70,938	-	-	70,938
Unreserved, reported in:				
General Fund	420,363	-	-	420,363
Special Revenue Funds	-	3,633	1,127	4,760
Total fund balances	<u>491,301</u>	<u>3,633</u>	<u>1,127</u>	<u>496,061</u>
Total liabilities and fund balances	<u>\$ 584,104</u>	<u>\$ 3,633</u>	<u>\$ 1,127</u>	<u>\$ 588,864</u>
Fund Balance - Total Governmental Funds				\$ 496,061
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds				1,137,094
The investment in joint venture is not reported in the funds				429,929
Long-term liabilities are not due and payable in the current period and are not reported in the funds				(224,205)
Revenue related to receivables is reported in the statement of net assets at the time it is earned without regard to timeliness of remittance				40,717
Net Assets - Governmental Activities				<u>\$ 1,879,596</u>

Township of Richmond

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2008

	Major Funds		Non-major Fund	Total
		Farmland Preservation Fund	Liquor Law Enforcement Fund	Governmental Funds
	General Fund			
Revenue				
Property taxes	\$ 354,903	\$ -	\$ -	\$ 354,903
Licenses and permits	26,747	-	-	26,747
Federal grants	8,647	-	-	8,647
State-shared - Grants and other revenues	233,840	118,816	-	352,656
Charges for services	260,674	-	-	260,674
Interest	15,681	336	-	16,017
Other	44,755	18,165	607	63,527
Total revenue	945,247	137,317	607	1,083,171
Expenditures				
Current:				
General government	374,496	-	-	374,496
Public safety	275,639	-	430	276,069
Public works	226,431	-	-	226,431
Community and economic development	-	156,675	-	156,675
Recreation and culture	15,787	-	-	15,787
Capital outlay	47,124	-	-	47,124
Debt service	45,530	-	-	45,530
Total expenditures	985,007	156,675	430	1,142,112
Excess of Revenue (Under) Over Expenditures	(39,760)	(19,358)	177	(58,941)
Fund Balances - Beginning of year	531,061	22,991	950	555,002
Fund Balances - End of year	<u>\$ 491,301</u>	<u>\$ 3,633</u>	<u>\$ 1,127</u>	<u>\$ 496,061</u>

Township of Richmond

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$	(58,941)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay expenditures		45,907
Depreciation expense		(66,661)

The net effect of other transactions involving capital assets (i.e., sales, trade-ins, disposals, and donations) that decreased net assets		(15,879)
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Revenue is reported in the statement of activities at the time it is earned, without regard to timeliness of collection		3,504
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)		36,004
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Income from joint venture is not recorded in the funds		37,854
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Change in Net Assets of Governmental Activities	\$	<u>(18,212)</u>
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Township of Richmond

Fiduciary Fund - Agency Fund Statement of Assets and Liabilities June 30, 2008

Assets - Cash and investments (Note 3)	\$ 52,445
Liabilities - Cash bonds and deposits	\$ 52,445

Township of Richmond

Notes to Financial Statements June 30, 2008

Note I - Summary of Significant Accounting Policies

The accounting policies of the Township of Richmond (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township of Richmond:

Reporting Entity

The Township of Richmond is governed by an elected five-member board of trustees. The accompanying financial statements present the Township of Richmond, Macomb County, Michigan. There are no component units required to be included in these financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the agency fund financial statement. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due.

The Township reports the following major funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Farmland Preservation Fund - The Farmland Preservation Fund is a special revenue fund that accounts for the revenue and expenditures related to the Macomb Agricultural PDR Committee.

Additionally, the Township reports the following fund types:

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of earmarked revenue requiring separate accounting because of legal or regulatory provisions.

Fiduciary Fund - Agency Fund - The Agency Fund accounts for assets held by the Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes are assessed as of December 31 and become a lien on December 1 of the following year. The related property taxes are billed on December 1 of the following year and are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

The 2007 taxable valuation of the Township totaled \$147 million, on which taxes levied consisted of 0.7908 mills for operating purposes and 1.750 mills for fire protection and EMS. This resulted in approximately \$115,000 and \$240,000 for operating and fire protection, respectively. These amounts are recognized in the General Fund financial statements as tax revenue.

When an expense has been incurred for purposes for which both restricted and unrestricted resources exist, it is the Township's policy to first apply restricted resources.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Prepaid Costs - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 years
Office furnishings	20 years
Equipment	5 to 10 years
Vehicles	15 years

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - The annual budget is prepared by the Township's supervisor and adopted by the Township's board; subsequent amendments are approved by the Township's board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. During the current year, the budget was amended in a legally permissible manner. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America for the General Fund and Special Revenue Fund.

The budget has been adopted on a departmental basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. The Township has not presented the amount of accumulated surplus from the prior fiscal year nor the expected ending surplus or deficit for the current fiscal year in its budget document.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations - During the year, the Township incurred expenditures that were in excess of the amounts budgeted in the General Fund, as follows:

	Amended Budget	Actual
Clerical salaries	\$ 7,300	\$ 7,418
Payroll taxes	-	38,195
Attorney	30,000	31,880
Audit and accounting	15,000	30,269
Street lights	4,200	4,260
Miscellaneous	10,450	15,446
Dues and conferences	6,560	6,788
Trustees	9,690	10,177
Equipment and building maintenance	7,965	8,409
Planning commission	17,300	17,350
Supervisor	22,721	24,559
Clerk	22,380	22,787
Building department	52,075	56,108
Capital outlay	45,000	47,124

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Construction Code Fees - The Township tracks the results of building department operations in the General Fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenue and expenditures related to the building department function. As required under the provisions of the Act, the Township adopted this accounting treatment effective January 1, 2000. Activity for the year ended June 30, 2008 was as follows:

Cumulative surplus - July 1, 2007	\$ 5,363
2006-2007 building department activity:	
Current year revenue	\$ 26,747
Current year expenditures	<u>(67,090)</u>
Excess of expenditures over revenue	<u>(40,343)</u>
Cumulative deficit - June 30, 2008	<u>\$ (34,980)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated nine banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, and the remainder of state statutory authority as listed above. The Township's deposits and investment policies are in accordance with statutory authority.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 3 - Deposits and Investments (Continued)

The Township's cash and investments are subject to two types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$106,834 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of the Township's investments are as follows:

Investment	Fair Value	Rating	Rating Organization
Bank investment pool	\$ 92,548	AI/PI	S&P/Moody's
Bank investment pool	74,848	AAA-VI	Fitch
Mutual fund	53,137	AI/PI	S&P/Moody's

Note 4 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2008, the entire balance of deferred revenue in the General Fund relates to state-shared revenues that are considered unavailable.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 5 - Capital Assets

Capital asset activity of the Township's governmental activities was as follows:

	Balance July 1, 2007	Additions	Disposals and Adjustments	Balance June 30, 2008
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 489,000	\$ -	\$ -	\$ 489,000
Capital assets being depreciated:				
Buildings and improvements	1,099,280	20,875	-	1,120,155
Office furnishings	51,276	-	-	51,276
Equipment	72,349	-	-	72,349
Vehicles	38,197	25,032	29,772	33,457
Subtotal	1,261,102	45,907	29,772	1,277,237
Accumulated depreciation:				
Buildings and improvements	488,636	54,161	-	542,797
Office furnishings	19,468	2,564	-	22,032
Equipment	53,492	6,833	-	60,325
Vehicles	14,779	3,103	13,893	3,989
Subtotal	576,375	66,661	13,893	629,143
Net capital assets being depreciated	684,727	(20,754)	15,879	648,094
Net capital assets	<u>\$ 1,173,727</u>	<u>\$ (20,754)</u>	<u>\$ 15,879</u>	<u>\$ 1,137,094</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 55,470
Public safety	1,985
Public works	1,080
Recreation and culture	8,126
Total governmental activities	<u>\$ 66,661</u>

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 6 - Long-term Debt

The Township of Richmond entered into an installment purchase agreement for the construction of facilities. Installment purchase agreements are general obligations of the government.

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	(Reductions)	Ending Balance	Due Within One Year
Governmental Activities						
Installment purchase agreements -						
Building construction:						
Amount of issue: \$500,000	3.73%	\$11,342 -				
Maturing through 10/5/2013		\$22,606	\$ 260,209	\$ (36,004)	\$ 224,205	\$ 37,401

Annual debt service requirements to maturity for the above obligations are as follows:

	Governmental Activities		
	Principal	Interest	Total
2009	\$ 37,401	\$ 8,129	\$ 45,530
2010	38,829	6,701	45,530
2011	40,311	5,218	45,529
2012	41,841	3,688	45,529
2013	43,447	2,082	45,529
2014	22,376	424	22,800
Total	\$ 224,205	\$ 26,242	\$ 250,447

Note 7 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for all the above claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Township of Richmond

Notes to Financial Statements June 30, 2008

Note 8 - Joint Venture

The Township is a member of the Richmond-Lenox E.M.S. Ambulance Authority (the "Authority"). The Authority is organized under the Ambulance Authority Act of the State of Michigan, with each township having a 50 percent interest. The Authority was established to provide the citizens of the two townships, as well as surrounding communities, with an emergency medical service through contractual agreements. The Township appoints two members to the joint venture's governing board. The boards of both Richmond Township and Lenox Township approve the annual budget.

The Township's equity interest in the joint venture at June 30, 2008, the latest available financial report, is \$429,929. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained from the Township office at 34900 School Section Road, Richmond, MI 48062.

Required Supplemental Information

Township of Richmond

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenue</u>				
Property taxes	\$ 359,080	\$ 359,080	\$ 354,903	\$ (4,177)
Licenses and permits	50,000	50,000	26,747	(23,253)
Federal sources	4,400	4,400	8,647	4,247
State sources	234,000	234,000	233,840	(160)
Interest	-	-	15,681	15,681
Garbage collection	218,750	218,750	260,674	41,924
Other	63,000	73,500	44,755	(28,745)
Total revenue	929,230	939,730	945,247	5,517
<u>Expenditures</u>				
General Government				
Administration:				
Clerical salaries	9,300	7,300	7,418	(118)
Payroll taxes	-	-	38,195	(38,195)
Postage and supplies	5,000	5,000	2,609	2,391
Attorney	30,000	30,000	31,880	(1,880)
Audit and accounting	15,000	15,000	30,269	(15,269)
Other professional services	12,500	34,500	23,712	10,788
Telephone	4,200	4,200	3,906	294
Printing and publishing	7,750	7,750	4,695	3,055
Insurance	16,000	14,970	14,970	-
Utilities	8,300	13,300	10,999	2,301
Street lights	4,200	4,200	4,260	(60)
Miscellaneous	10,450	10,450	15,446	(4,996)
Dues and conferences	6,560	6,560	6,788	(228)
Employee benefits	10,604	10,604	10,604	-
Total administration	139,864	163,834	205,751	(41,917)

Township of Richmond

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
General Government (Continued)				
Assessor	\$ 27,875	\$ 26,875	\$ 26,566	\$ 309
Trustees	7,690	9,690	10,177	(487)
Zoning enforcement officer	6,700	13,000	6,085	6,915
Equipment and building maintenance	7,965	7,965	8,409	(444)
Board of appeals	550	550	227	323
Elections	13,700	19,700	17,097	2,603
Planning commission	17,300	17,300	17,350	(50)
Board of review	1,400	1,550	1,275	275
Cemetery	700	700	586	114
Supervisor	23,221	22,721	24,559	(1,838)
Deputy supervisor	750	750	600	150
Clerk	23,380	22,380	22,787	(407)
Deputy clerk	2,000	2,000	1,000	1,000
Treasurer	24,380	28,380	24,777	3,603
Deputy treasurer	7,250	7,250	7,250	-
Total general government	304,725	344,645	374,496	(29,851)
Public Safety				
Ambulance service	164,100	164,100	163,500	600
Building department	64,075	52,075	56,108	(4,033)
Fire contracts	56,621	56,621	56,031	590
Total public safety	284,796	272,796	275,639	(2,843)
Landfill Services	218,750	218,750	209,981	8,769
Highways and Streets	32,750	32,750	16,450	16,300
Recreation and Cultural	19,600	17,600	15,787	1,813
Capital Outlay	45,000	45,000	47,124	(2,124)
Debt Service - Note redemption and interest	46,000	46,000	45,530	470
Total expenditures	951,621	977,541	985,007	(7,466)
Excess of Expenditures Over Revenue	<u>\$ (22,391)</u>	<u>\$ (37,811)</u>	<u>\$ (39,760)</u>	<u>\$ (1,949)</u>